GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2052
ANSWERED ON:03.08.2001
PRODUCTION IN SICK PSU`S
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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government have decided to increase the production of ailing public sector units and make them profitable before putting them up for sale;

(b) if so, the details of such ailing PSUs which will be made profitable during the current financial year;

(c) the total investment to be made in such PSUs; and

(d) the target set for the increasing the production of sick PSUs in the current plan period.

Answer

THE MINISTER OF STATE (HI&PE) (DR. VALLABHBHAI KATHIRIA)

(a) to (d): The Government`s policy towards public sector as enunciated in the Budget Speech for the year 2000-01 is to :

- Restructure and revive potentially viable PSUs.
- Close down PSUs which can not be revived
- Bring down Government equity in all non-strategic PSUs to 26% or lower, if necessary; and
- Fully protect the interests of workers

Sick PSUs are referred under SICA to BIFR - a quasi-judicial body. Presently, 66 PSUs are under reference to BIFR. Since rehabilitation is undertaken after the BIFR sanctions a revival package, it is difficult to set a target.